GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:48
ANSWERED ON:03.12.2004
CUSTOMERS IN RURAL AREAS
Paswan Shri Sukdeo

Will the Minister of FINANCE be pleased to state:

(a) the details of the reasons for not providing loans to customers in rural areas in the country by nationalised hanks;

(b) whether there is wide difference between deposits and advances in most of the nationalised banks in rural areas;

(c) if so, the details and reasons therefore; and

(d) the steps taken by the Governrnent to recfify the disparity for tlle grant of loans/advances to the customers/farmers in rural areas through nationalized banks?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of the Lok Sabha Starred Question No. 48 for answer on 3rd December, 2004.

(a): The Public Sector Banks do lend ito customers throughout the country including rural areas for various purposes including agriculture, small scale industry, Government sponsored programmes etc.

(b) and (c) : As at the end of March, 2004 the total deposits and advances of Public Sector Banks in ruraal areas stood at Rs. 147182 crores and Rs. 63419 crores, respectively. The comparatively low level of credit deployed in rural areas is attributable to several factors including poor infra structural facilities, low capital formation in agriculture, crash in prices of certain agricultural commodities like coffee, rubber etc. overhang of non-performing assets, poor access of rural industries to technology/markets etc.

(d): Several measures have been taken hy the Government/RBI to increase institutional finance to agriculture and allied activities. These measures include impletmentation of Special Agriculture Credit Plan (SACP), opening of Specialized Agriculture finance Branches, introduction of Kisan Credit Cards, mandated lending under priority sector and setting up of Rural Infrastructure, Development Fund (RIDF) with NABARD. Besides, a new agriculture credit package has been announced by the Government on 18th June, 2004 to double the flow of credit to agriculture and allied activities in the next three YearS and to increase the flow of credit by 30 percent during 20104-05.